



366691



"Winters, Karen"  
 <KWinters@ssd.com>  
 05/19/2006 03:25 PM

To Elise.Feldman@usdoj.gov, Jason.Barbeau@usdoj.gov,  
 ebessey@kdhe.state.ks.us, betsey.streuli@deq.state.ok.us,  
 Catherine Garypie/R5/USEPA/US@EPA,  
 cc Paul.Harper@eaglepicher.com, "Brooks, Patrick J."  
 <PBrooks@ssd.com>, "Kane, Scott A." <SKane@ssd.com>.  
 "Craycraft, Kenneth R." <KCraycraft@ssd.com>,  
 bcc

Subject RE: Kansas Properties

Thanks Elise. We believe that we have addressed your core issues of concern in the draft of the Custodial Trust Agreement that Patrick just circulated. We further believe that any remaining issues that the United States and/or the States may have with respect to the language of the Custodial Trust Agreement can be addressed in any settlement agreement that the United States and/or the States ultimately enter with the Debtors with respect to the specific measures to be addressed or implemented at the sites where we have agreed on the funding level (including, for example, schedules for completion of work, agency review of submittals and procedures for selection of a remedy etc.) We have deliberately drafted the Custodial Trust Agreement rather generally with the expectation that the specifics would follow in our settlement agreement. Accordingly, we believe that the language included in our letter is appropriate. We believe that the parties May 15, 2006 filing with the Court now address the issue of how the parties will proceed on June 1, 2006. We would be happy to discuss this further with you.

-----Original Message-----

From: Elise.Feldman@usdoj.gov [mailto:Elise.Feldman@usdoj.gov]  
 Sent: Friday, May 19, 2006 2:39 PM  
 To: Elise.Feldman@usdoj.gov; Jason.Barbeau@usdoj.gov;  
 ebessey@kdhe.state.ks.us; betsey.streuli@deq.state.ok.us;  
 garypie.catherine@epa.gov; jmorgan@atg.state.il.us; Winters, Karen  
 Cc: Paul.Harper@eaglepicher.com; Brooks, Patrick J.; Kane, Scott A.;  
 Craycraft, Kenneth R.; Alan.Tenenbaum@usdoj.gov  
 Subject: RE: Kansas Properties

Karen,

Thank you for your letter a few minutes ago regarding our agreed-upon funding amount for Illinois. We are pleased that we were able to resolve that issue. I notice that you chose not to include the language we requested below for this -- or for the Kansas or Oklahoma letters. I'd like to discuss this with you to address any concerns you might have with respect to this language. Thanks. Elise.

-----Original Message-----

From: Feldman, Elise (ENRD)  
 Sent: Thursday, May 11, 2006 10:41 AM  
 To: 'KWinters@ssd.com'; Barbeau, Jason (ENRD); ebessey@kdhe.state.ks.us  
 Cc: Paul.Harper@eaglepicher.com; PBrooks@ssd.com; SKane@ssd.com;  
 KCraycraft@ssd.com; Tenenbaum, Alan (ENRD)  
 Subject: RE: Kansas Properties

Karer,

Thank you very much for your letter of May 9, 2006 regarding resolution of the Kansas Sites. Would you please revise it as outlined below? We prefer the language below as, among other things, it makes clear that this funding amount is independent of the language of the custodial trust agreement. Also, we are looking into who would be the appropriate signatories from the United States to sign this document (as you know there are strict limitations with respect to settlement authority) We will try to have that question resolved as quickly as possible. Elise.

Debtors have proposed the following levels of funding for Environmental Actions at the Designated Property located in Kansas:

[table]

We understand that the United States and Kansas will not object to these levels of funding at the Confirmation Hearing. The parties reserve their rights with regard to the adequacy of funding of the administrative costs of the Custodial Trust and the proposed provisions of the Trust Agreement and Plan other than the funding listed above. If the parties' differences over the terms of the Trust Agreement can be resolved, the parties will then work towards execution of a companion settlement agreement. However, the above levels of funding under the Plan shall be a part of the Plan whether or not a companion settlement agreement is reached.

-----Original Message-----

From: KWinters@ssd.com [mailto:KWinters@ssd.com]  
Sent: Tuesday, May 09, 2006 5:46 PM  
To: Barbeau, Jason (ENRD); Feldman, Elise (ENRD);  
ebessey@kdhe.state.ks.us  
Cc: Paul.Harper@eaglepicher.com; PBrooks@ssd.com; SKane@ssd.com;  
KCracycraft@ssd.com  
Subject: Kansas Properties

FYI.

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